



ARPA Policy

1. Overview

As a recipient of Coronavirus Local Fiscal Recovery Funds (CLFRF), as part of the American Rescue Plan Act (ARPA), the Town of Landis is required to establish procedures to document how grant funding decisions must be made. This rule is intended to ensure that federal funds are spent on eligible programs, accurately reported and records retained for the required amount of time. The Town recognizes that a failure to uphold the standards outlined in the Federal Uniform Guidelines, and US Treasury's Final Rule, could result in the reclaiming of federal grant monies or the compelled reimbursement of funds already spent. Thus, the Town requires that all decisions regarding the expenditure of funds from the \$1,000,072.58 ARP fund be made using these guidelines.

2. Purpose

The Town of Landis adopts the following written procedures to review project eligibility and determine how decisions are made to expend ARPA/CLFRF funds. These procedures will be used when a program or project decision to expend ARPA funds occurs. Following these procedures will help ensure that Town Administrators abide by State and Federal compliance requirements when spending ARPA funds. The Town has established an ARP fund with a Grant Project Ordinance to track and report these expenditures, not to be confused with ARPA or CLFRF funds; which refer to the overarching federal grant of a similar title.

3. Scope

Program File Checklist

1. When an expenditure request for the Town ARP fund is made, department heads must fill out the first section of the program file checklist. This section provides basic information about the project, such as the program or project name, and a short description. This information is necessary for making eligibility and cost allocation determinations. Once the section is completed, the checklist must be submitted to the Finance Officer.
2. Upon receipt of a program file checklist, the Finance Officer must create a new program file for the project to include all of the compliance and reporting documentation for that specific program. All

ARP fund program files must be retained in this fashion until 5 years after the ARP fund has expended all funds or the remaining funds have been returned to the US Treasury.

3. Upon creation of the file, the Finance Officer must review the requested program for ARPA eligibility according to the Final Rule provided by the US Treasury, and legality according to the North Carolina General Statutes. Once these reviews are completed, a written determination must be provided in section 2 of the Program File Checklist, labeled "Eligibility Review". Supporting evidence for the determination, whether approved or denied, must be provided in the Program File Checklist. Program or project requests denied based on eligibility or legality will not be eligible for resubmission or reconsideration. Program files for projects and programs that haven't expended money from the ARP fund are not required to be retained.
4. The Finance Officer must note any additional reporting requirements or considerations that are required due to the nature of the project. These additional requirements must be shared with the Town Manager and the relevant Director. A feasibility study will be conducted on whether such additional requirements are within Town capacity.
5. Upon completion of the Feasibility Study, an ARP fund Grant Project Ordinance Amendment must be drafted for Board review. The Finance Officer must update section 3 of the Program File Checklist, labeled "Financial Information". The amendment must contain:
 - Total appropriation requested; up to 10% may consist of relevant administrative costs according to the federal De Minimis rate described in 2 CFR 200.414. If the total project cost includes revenues other than ARPA monies alone, those revenue sources must be included.
 - Treasury Expenditure Category Code
 - Unassigned ARP fund balance remaining
6. Upon Board approval, implementation of the ARPA project can begin. The Finance Officer must update section 5 of the Program File Checklist, labeled "Program Management Information". Any relevant sections of the checklist not filled out up to this point should be completed at this time, with supporting documentation added to the program file as needed.

All ARPA funds must be obligated by December 31, 2024 and expended by December 31, 2026. The Town of Landis recognizes that a failure to abide by these deadlines could result in the reclaiming of unspent funds.

Property Management

The Town of Landis acknowledges that ARPA funds are beholden to the federal standards of property management outlined in 200.311-314 of the Code of Federal Regulations (2 CFR). Therefore, all Town property purchased with ARPA funds will adhere to the following guidelines:

Real Property

Except as otherwise provided by federal statutes or by the US Treasury, real property will be used for the originally authorized purpose as long as needed for that purpose, during which time the Town will not dispose of or encumber its title or other interests.

When real property is no longer needed for the originally authorized purpose, the Town will obtain disposition instructions from the US Treasury or the North Carolina Office of the State Controller. Disposition may take one of 3 forms:

- Retain title after compensating US Treasury
- Sale of property and compensation of US Treasury
- Transfer of title to US Treasury or to a third party designated/approved by US Treasury.

Equipment

Subject to the requirements and conditions set forth in 200.313, title to equipment acquired with ARP funds will vest upon acquisition by the Town of Landis. Unless a statute specifically authorizes the US Treasury to vest title to the Town of Landis without further responsibility to the Federal Government, and the US Treasury elects to do so, the title will be a conditional title. Per federal grant regulations, equipment is defined as tangible personal property with a useful life of more than one year and a purchase price of \$5,000 and above (CFR 200.33). Title will vest with the Town of Landis subject to the following conditions:

- The Town of Landis will use the equipment for the authorized purposes of the project during the period of performance, or until the equipment is no longer needed for the purposes of the project.
- The Town of Landis will not encumber the equipment without approval of the US Treasury or NC Office of the State Controller.
- When no longer needed for the original program or project, the equipment may be used in other activities supported by the US Treasury, in the following order of priority:
 - Activities under a Federal award from the US Treasury
 - Activities under Federal awards from other Federal awarding agencies. This includes consolidated equipment for information technology systems.
- During the time that equipment is used on the project or program for which it was acquired, the Town of Landis will also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use will be given to other programs or projects supported by the US Treasury and second preference will be given to programs or projects under federal awards from other federal awarding agencies. Use for non-federally-funded programs or projects is also permissible.
- The Town of Landis will not use equipment acquired with ARPA funds to provide services for a fee that is less than private companies charge for equivalent services unless specifically authorized by federal statute for as long as the Federal Government retains an interest in the equipment.
- When acquiring replacement equipment, the Town of Landis may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.
- Property records will be maintained that will include a description of the property, a serial number or other identification number, the acquisition date, cost of the property, percentage of acquisition cost attributed to ARPA funds, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

- A physical inventory of ARPA funded property will be taken and the results reconciled with the property records at least once every two years.
- All real property and equipment purchased with ARPA funds will be insured, consistent with existing town procedure.
- A control system will be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft will be investigated.
- Adequate maintenance procedures will be developed to keep Town property in good condition.
- If the Town of Landis is authorized or required to sell the property, it will be sold according to existing town policy.
- Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further responsibility to the US Treasury.
- Except as provided in § 200.312(b), or if the US Treasury fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair market value in excess of \$5,000 may be retained by the Town of Landis or sold. The US Treasury is entitled to an amount calculated by multiplying the current market value or proceeds from the sale by the percentage of the acquisition cost attributed to ARPA funds in the original purchase. If the equipment is sold, the US Treasury may permit the Town of Landis to deduct and retain from the federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.
- The Town of Landis may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the Town of Landis will be entitled to compensation for its attributable percentage of the current fair market value of the property.

Supplies

Title to supplies will vest in the Town of Landis upon acquisition. If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other federal award, the Town of Landis will compensate the Federal Government for its share. The amount of compensation must be computed in the same manner as for equipment. As long as the Federal Government retains an interest in the supplies, the Town of Landis will not use supplies acquired with ARPA funds to provide services to other organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by federal statute.

Records Retention

The Town of Landis will adhere to both federal (2 CFR 200.334-338) and state (Records Retention and Disposition Schedule NCDRC) requirements regarding record retention for ARPA projects. In the event of a conflict, the most stringent requirements will be followed. US Treasury may request to view them at any time, as well as GAO, OIG, PRAC, or other government or private entities.

Program Income

Income gained as a direct result of ARPA programs will be used for current costs, unless the US Treasury authorizes otherwise. There are no federal requirements governing the disposition of income earned after the end of the period of performance for a federal award, unless the federal awarding agency regulations or the terms and conditions of the federal award provide otherwise. The Town of Landis will retain ARPA related earnings outside of the designated performance period ending December 31, 2026; unless contacted by the US Treasury or NC Office of State Controller regarding income disposition.

Acknowledgement

I acknowledge that I have reviewed and understand the content of this policy. I am aware that it is my responsibility to comply with and implement the policies and procedures mentioned therein.

Name: _____

Date: _____

Title: _____